

REQUEST FOR PROPOSAL

July 26, 2006

The Denver Water Department, Denver, Colorado, is beginning a multi-year effort to replace its existing Customer Information System (CIS). This document is a Request for Proposal (RFP) for a consultant to act in an advisory capacity during the selection process, to take the lead in negotiations with the selected CIS vendor, and to provide project oversight (Quality Assurance) for the length of the implementation. Denver Water will evaluate all RFP's received and then negotiate a contract outlining the cost and specific deliverables with the vendor selected.

Responses to this document must be received by August 9, 2006 at 3:00 pm

Mountain Time. Each respondent should provide four bound copies of their response and one "copy ready" unbound version, as well as an electronic copy of the response. The package should refer to "CIS Selection Advisor, Attn: Mary Price, Finance Division" and be sent to:

Denver Water Purchasing, 1600 West 12th Avenue, Building 12, Denver, CO 80204

All questions regarding the RFP should be presented in email form no later than 5:00 PM Mountain Time on August 4, 2006– no phone calls please. Please address all questions to Mary Price, CIS Project Manager, Denver Water, mary.price@denverwater.org.

Denver Water retains the right to ask each respondent for additional information to aid in the final selection. Denver Water reserves the right to be the sole judge of the final vendor selection.

BACKGROUND

Denver Water is an independent City agency that exists to provide water to the citizens of Denver City and County, as well as those surrounding areas that have water service contracts with Denver Water. Denver Water currently has an account base of over 220,000. Denver Water also provides sanitary sewer billing services for its sister city and county agency, Wastewater Management Division, but only for the approximately 145,000 customers located within Denver. Denver Water employs approximately 1,000 people and serves a population of over a million in the greater Denver Water service area. Denver Water's intent is to replace three existing systems with its new CIS: the existing Customer Billing system (AIM), the Tap Sales system (WASA) and consumption-related billing from its Miscellaneous Accounts Receivable system (MARS).

AIM (customer consumption billing) and WASA (initial tap sales) contain some of the same data elements but are not integrated databases and are updated independently. This leads to problems with the reliability and accuracy of the data, adversely impacting the analytical capabilities of Rates, Conservation and Planning, as well as Field Service operations. An example of this problem is meter number field. Both databases contain this key business element, but if it is updated in one system, it is not automatically

updated in the other, and the link to the historical information in the second system is lost.

Additionally, the current CIS does not accommodate applications integration (AIM / WASA / GIS). Integrated systems would allow field representatives to look up meter information, measurements, age of water taps, pressure, etc. simultaneously. It would provide the same benefits for customer service representatives talking to customers, and for the Tap Sales and Locates Sections.

SCOPE

These services will be needed for the period from September 2006, through approximately December 2008. These services may include some or all of the following activities:

CIS Selection:

1. Review Denver Water's existing Business Requirements for clarity / ambiguity. Suggest improvements regarding style / format / content.
2. Collaborate with Denver Water staff regarding the format, contents and information solicited in the CIS RFP including minimum acceptable qualifications for vendors to participate in the selection process.
3. Collaborate with Denver Water staff on a review of objectives and then advise Denver Water on the optimal structure of the final implementation team (e.g. whether or not the services of a System Integrator should be solicited, whether the contract should be multi-phase, etc.).
4. Review and advise Denver Water staff on the CIS vendor selection process including the specific steps taken in the process, scripting for demos, etc.
5. Advise Denver Water staff on the final CIS vendor selection including providing guidance on the process and specific feedback on vendor finalists.
6. Collaborate with Denver Water staff to provide summary of CIS selection process, evaluation of CIS vendor finalists and explanation of final vendor selection to Denver Water Executive Stakeholders including assessment of strengths and weaknesses of selected vendor.

Contract Negotiation:

1. Lead contract negotiations with selected CIS vendor.
2. Assist Denver Water staff in evaluating contract terms, advising Denver Water on acceptable compromises and 'deal-breakers.'
3. Provide Denver Water Executive Stakeholders with summary of final contract draft prior to Board approval.

Implementation:

1. Provide Quality Assurance oversight for implementation, critiquing both vendor and Denver Water project staff, providing early identification of risks and problems and advising on mitigation strategies.

2. Provide Quality Assurance reports to Denver Water Executive Stakeholders, Vendor Executives and Project Managers at agreed upon intervals throughout the implementation.
3. Participate in on-site Executive Steering Committee meetings at agreed upon intervals throughout the implementation.

REQUIRED INFORMATION

Given the proposed consultant role outlined above by Denver Water, please provide a brief proposal based on the scope of work for this project, including deliverables, an estimate of the time required for each of the three distinct efforts, and an estimate of the costs related to each.

Please provide names and resumes for the specific individual(s) that would be working directly with Denver Water if your firm is selected. Denver Water will conduct an on-site interview with these named resources as part of the selection process. This will only be required of the consultants that Denver Water deems to be finalists.

Additionally, please provide the following business-related information:

1. Please provide a brief history of your company including a summary of all services offered. Please indicate any mergers or acquisitions that have brought your company into the CIS marketplace.
2. How long has your company been in business as a CIS-related consultant?
3. Briefly describe the scope of work for a typical CIS selection process as performed by your company.
4. Has your company had any recent projects of a similar nature and scope as described in this RFP? In particular, has your company worked with any similarly sized public water utilities? If so, what was the scope of the project(s)? Please describe.
5. Please detail any business relationships, past or present, that your firm or any of your firm's representatives have or have had with any CIS vendors.
6. Please provide a matrix listing the CIS vendors selected by your clients over the last five years and how many times each vendor was selected. Please indicate the extent of your company's role in each of these processes.
7. Please disclose any possible or pending changes of ownership, including but not limited to acquisitions or divestitures.
8. Has your company ever had a contract terminated for cause by either party? If so, please provide information on customer and cause.
9. Please provide a current client list including name, address, business contact and phone number, and a description of the services currently provided to each client.